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Panama: Major Towns and Other Important Features



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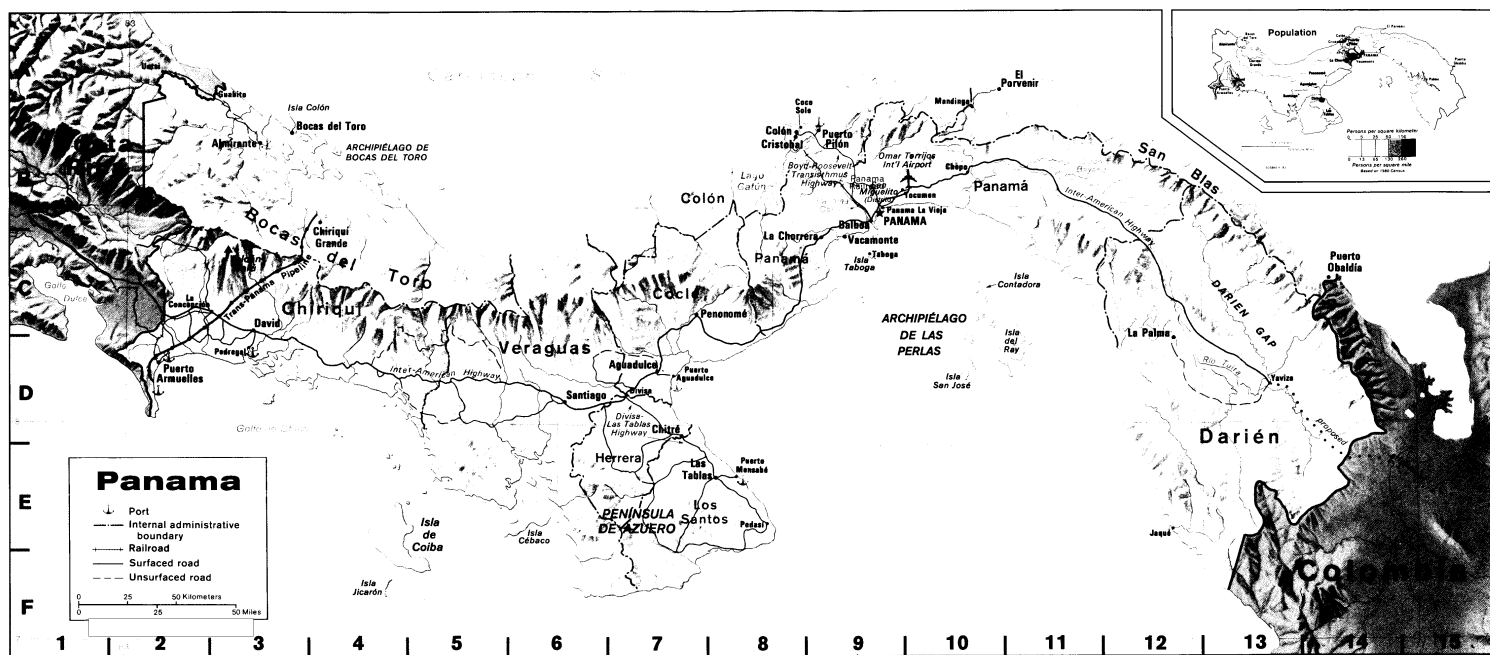
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Chiriquí Grande -B4- (400) is the Caribbean terminus of the recently completed Trans-Panama Pipeline, which extends to the Pacific in the vicinity of Puerto Armuelles. Chiriquí Grande lies on the swampy southern margin of Laguna de Chiriquí. The port includes a small jetty and two mooring buoys with crude-oil hoses for loading tankers. A crude-oil storage area and a small airstrip are nearby.

Chitre -D7- (19,200), capital of Herrera Province, is in the heart of the main livestock and grain region. It is a commercial and industrial center and has the country's largest tannery. The town is connected to

the Inter-American Highway by the heavily traveled Divisa-Las Tablas Highway.

Colón -B8- (57,600), Panama's second-largest city and capital of Colón Province, dates only from the mid-19th century, when it was constructed as the Caribbean terminus of the Panama Railroad. It became physically isolated from the rest of Panama when the Canal Zone was established around it in 1902. With no room for expansion, its population density increased sharply. Today the city is economically depressed, congested, and crime ridden. It has a 30-percent unemployment rate, the highest in

Panama. Many from the city's predominantly black population work in the Colón Free Zone; firms there employ an estimated 5,000 workers in assembly plants where goods that have entered duty free from abroad are processed for distribution to South America and the Caribbean. Cimex, a large Cuban company, and a myriad of its subsidiaries operate in the free zone; Cuban commercial involvement in Panama has tripled in the past two years. Department of Defense reporting indicates that Ciers International (CI), a Soviet-backed marketing firm in the free zone, is using Coco Solo, the former US naval base east of Colón, for the import and export of goods. A warehouse and packing complex has been constructed by CI adjacent to the

port. The naval arm of the National Guard recently transferred its Atlantic Navy Headquarters to Coco Solo. World Bank projects in the Colón area include expanding the free zone and upgrading the port facilities at Coco Solo and Cristobal.

Cristobal -B8- (400), adjacent to Colón at the Caribbean terminus of the Panama Canal, is the country's main port. It was formerly an administrative center for the Panama Canal Company. The port serves the Colón urban-industrial-commercial complex; it has fueling and general cargo-handling facilities and access to Panama City via highway and railroad.

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*Information available as of 1 April 1983
has been used in the preparation of this report.*

This paper was prepared by [redacted]
Office of Global Issues. Comments and queries are
welcome and may be directed to the Chief,
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This paper was coordinated with the National
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Panama:**Major Towns and
Other Important Features**

Panama is an international crossroads of global commercial and strategic significance. Moreover, because it is located in the volatile Central American region on established trade and travel routes between the lucrative US drug market and South American sources of cocaine and marijuana, it is a natural transit point for illegal traffic in arms and narcotics. The country's excellent communications and banking facilities also make it an important money-laundering center. The Cubans and the Soviets have increased their presence in Panama in recent years, and, according to Department of Defense reporting, are probably using legitimate business operations in the Panama Canal Area (formerly Panama Canal Zone) as cover for intelligence activities.

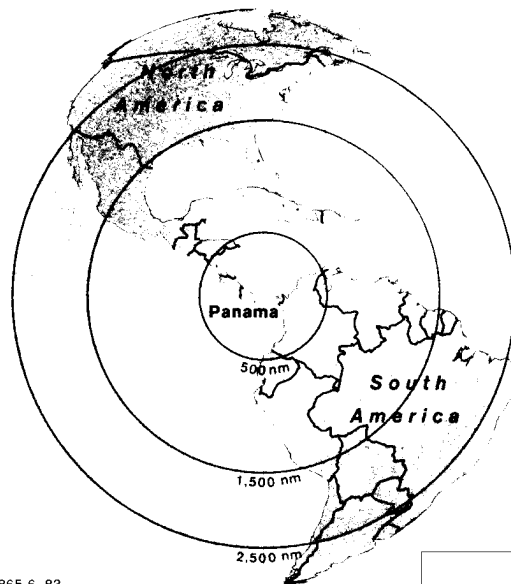
With only 2 million inhabitants, Panama is—after Belize—the least populous Central American country. The largest concentrations of people are at each end of the Canal, where most of the nonagricultural economic activity is focused. Farming regions on the Pacific coast and in the interior of western Panama are less densely settled, while the humid Caribbean lowlands, the forests of Darien, and the mountains forming the continental divide are practically uninhabited except for scattered Indian groups.

More than two-thirds of Panama's population are Spanish-speaking mestizos. English-speaking West Indian blacks are prominent in Colon and in the banana-growing region in the west. Chinese, Jewish, and Lebanese minority groups live mainly in Panama City and the other large urban centers.

Populated Places

The cities and towns listed below are the most important in Panama. With the exceptions noted below, figures in parentheses are population estimates based on projections to May 1983, using data from the Panamanian census of May 1980 and growth rates attained during the 1970-80 intercensal period. For the small towns of Chiriqui Grande, El Porvenir, and Puerto Obaldia, the bases for projections are derived from the 1970 Panamanian census; for Balboa and Cristobal they are from 1970 US census data. No population estimate is available for the new port of Vacamonte.

Aguadulce -D7- (11,800) is an agricultural marketing and processing center about 45 kilometers southwest of Penonome via the Inter-American Highway. It serves the country's main sugar-growing region.



Nearby tidal flats are used for shrimp farming and salt production. A small port on an estuary 5 kilometers east of town handles fertilizers, chemicals, and the area's sugar and molasses exports.

Almirante -B3- (4,800), on Bahia Almirante in northwestern Panama, is a deepwater port with berthing for oceangoing vessels. Operated under concession by the US-owned United Brands Company, it exports bananas and other agricultural products. The port is served by a rail line, also run by United Brands, and by a two-lane all-weather road, which was recently completed to the Costa Rican border. Department of Defense reporting indicates that cross-border traffic on the road is not even monitored, much less controlled.

Balboa -B9- (2,600), the Pacific port of entry to the Panama Canal, is the second-largest of the Canal-area towns. It was ceded to Panama by the United States in 1979. The port has facilities for handling bulk petroleum and grain, containers, and general cargo, as well as for ship repair and refueling. According to US Embassy reporting, representatives of the Soviet and Cuban fishing fleets are seeking regular access to the drydocks; these facilities, formerly run by the Panama Canal Company, are now operated by a French-Panamanian consortium.

Bocas del Toro -B3- (2,500), capital of remote, sparsely populated Bocas del Toro Province, is situated on Isla Colon, an offshore island. It is a minor commercial center and cargo transfer point for the local banana and fishing industries.

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Puerto Armuelles -D2- (12,600), serves as a market center and port for Chiriqui Province's banana-producing region. The port is given over almost exclusively to banana exports and is operated under concession by a subsidiary of United Brands, which also operates the rail line serving the port. The Government of Panama has devised a tax-incentive plan designed to maintain existing levels of United Brand's Pacific Coast operations, following layoffs and the closure in late 1982 of the government-owned Banana Corporation of the Pacific. The western terminus of the new transisthmus oil pipeline, a deepwater port capable of handling large oil tankers, is about 10 kilometers south of Puerto Armuelles. []

Puerto Obaldia -C14- (600) is a village on the Caribbean coast near the Colombian frontier. Most of the inhabitants are blacks. Cuna Indian territory begins about 20 kilometers to the northwest. US Embassy reports indicate that increased policing of other routes of marijuana trafficking out of Colombia has led to the use of Puerto Obaldia as a storage and transit point for drug shipments to the United States and elsewhere. According to Department of Defense reporting, a recent investigation by National Guard officials revealed that the entire Guard detachment at this small port was involved in drug smuggling and other contraband activities. []

Puerto Pilon -B9- (5,700) is a small port on an inlet about 10 kilometers east of Colon. Nearby is the nation's only petroleum refinery. Port facilities adjacent to the refinery's storage terminals are equipped primarily to supply the refinery, but they also handle general cargo. They have recently been adapted to serve the fast-growing roll-on/roll-off trade. The town is linked by a road to the Boyd-Roosevelt Highway. []

Santiago -D6- (25,400), on the Inter-American Highway midway between Panama City and the Costa Rican border, is the capital of Veraguas Province and one of the oldest towns in the country. It serves as a commercial center for the surrounding cattle and sugarcane region. The nearby government-owned La Victoria Sugar Mill provides employment for a large number of workers in this traditionally economically depressed province. The US Agency for International Development is implementing a pilot fish-farming project in the highlands, which will involve 20 communities. []

Vacamonte -C9-, about 30 kilometers southwest of Panama City, is a fishing port that was constructed with World Bank assistance and opened in 1979. It is used primarily by shrimp trawlers. According to US Embassy reports, Vacamonte serves as the home base for Cuba's Pacific fishing fleet; its warehouses are reportedly used in the illegal export of Cuban seafood to the United States. The port includes transshipment, cold storage, and ship repair facilities. Plans to expand it to allow for offloading of grain and loading of sugar and molasses and for the development of a tuna industry have been shelved. This will at least temporarily thwart a rumored plan to shift part of the Soviet fishing fleet to Vacamonte from Peru. []

Transportation

The Inter-American Highway extends almost 800 kilometers from the Costa Rican border to Yaviza in Darien Province, about 55 kilometers from the Colombian border. Concrete surfacing has been completed over the entire western portion and as far east of the Canal as Chepo; beyond Chepo are gravel and earth segments passable in conventional passenger vehicles. Construction of the final section of the highway across the Darien Gap, which would link Central and South America, is now in doubt; US funding was suspended in 1976 because of legal and environmental considerations. There is concern that completion of the highway would lead to the northward spread of foot-and-mouth disease and to the destruction of one of the world's most species-rich tropical forests. US Embassy officials believe that the highway might also facilitate the northward movement of narcotics and illegal aliens. []

The Boyd-Roosevelt Highway, 44 kilometers in length, is the main north-south route. It connects the ports, naval bases, and population centers of Cristobal-Colon and Balboa-Panama City. Branch roads link most of the military installations in the former Canal Zone to this route; the highway intersects the Inter-American Highway at Panama City. Traffic volume has steadily increased in recent years, causing deterioration of the roadway and heavy congestion during peak periods. []

The Divisa-Las Tablas Highway connects the provincial capitals of Chitre and Las Tablas with the Inter-American Highway at Divisa. It carries the third-heaviest volume of traffic in the country after the Inter-American and Transisthmus Highways. Increased use has caused a steady deterioration. The

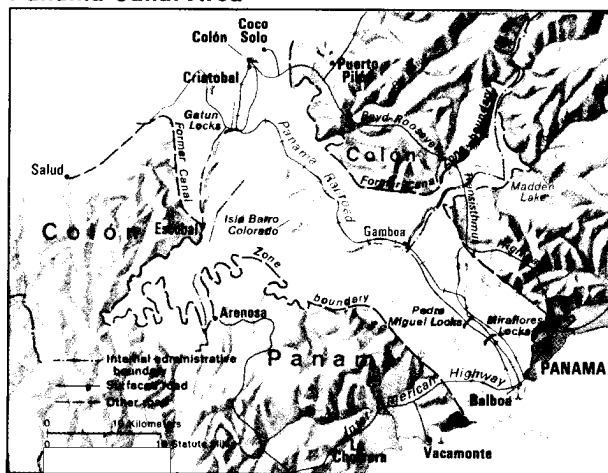
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Government of Panama plans to upgrade the road; improvements will include widening and the construction of drainage works and bridges.

The Panama Railroad, paralleling the Canal, links Panama City and Colon. It is described in a recent Department of Defense information report as "the railroad that nobody wants." The line is in poor condition, and service has deteriorated under Panamanian administration. The Panama Canal Treaty states that, if the Republic of Panama decides that its continued operation of the railroad is no longer viable, the United States shall have the right to reassume its management and operation.

The Trans-Panama Pipeline enables oil to be transferred between very large tankers, too wide to transit the Canal, in the Pacific and the Caribbean across 130 kilometers of western Panama. It began operations in 1982. Maximum design throughput volume is 800,000 barrels a day. The pipeline provides an important alternative to the Panama Canal for the movement of Alaskan crude oil, enhancing US energy security. It is also a strategic target, vulnerable to sabotage.

Panama Canal Area



The Panama Canal, a US-built 80-kilometer inter-oceanic waterway completed in 1914, is one of the world's major shipping arteries. Three sets of locks lift transiting vessels over the continental divide. The capacity of the locks limits the size of vessels that can pass through the Canal—many ore carriers and very large oil tankers cannot be accommodated. The locks are vulnerable to sabotage, earthquakes, and other hazards, making the facility a potential major global chokepoint. Under the Panama Canal Treaty of 1977, the Canal Zone reverted to Panamanian jurisdiction in 1979, but the United States retains responsibility

for operation of the Canal and, with Panama, for its defense until the year 2000.

Omar Torrijos (formerly Tocumen) International Airport, about 25 kilometers northeast of Panama City, is a major transit point for air freight and passenger traffic between North and South America. A new terminal building and runway were completed in 1978. The Panamanian Air Force is headquartered at the airfield.

Other Important Features

The Archipelago de las Perlas—C10— is a cluster of mountainous islands in the Gulf of Panama about 75 kilometers southeast of Panama City. Most of the more than 200 islands are tiny and uninhabited; the largest, Isla del Rey, supports a fishing village. Isla Contadora, although much smaller, is famous as the island to which the ailing Shah of Iran fled in 1979; it has been turned into a multimillion-dollar government-supported tourist complex with an excellent airstrip and scheduled flights to Panama City. In colonial times the surrounding waters were exploited for pearls; today they attract sports fishermen.

Isla de Coiba—E4—, in the Pacific about 25 kilometers off the mainland, is the largest of Panama's islands. It has been the site of a penal colony since 1919. Prisoners are housed in a main camp and in several smaller camps scattered about the 1,550-square-kilometer island.

Isla Taboga—C9—is a small island in the Gulf of Panama about 10 kilometers from the mainland. Once notorious as a pirate stronghold, it is now a tourist attraction and a favorite resort for residents of Panama City and Balboa. The island produces pineapples and mangoes and has the second-oldest church in the Western Hemisphere. Regular launch service links Taboga with Balboa.

Lago Gatun—B8— was created during the construction of the Panama Canal by damming the Rio Chagres. The lake provides water for the Canal's locking system and forms a considerable part of the waterway itself. Isla Barro Colorado, the largest of a number of islands scattered through the lake, has been used for many years by the Smithsonian Institution as a biological research center.

Volcan Baru—C3—, near the Costa Rican border, forms the highest peak in Panama. It rises to an elevation of 3,473 meters.

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Planned World Bank projects will repair the conventional cargo facilities and expand the roll-on/roll-off and paved container-storage areas. []

David -C3- (57,300), the nation's third-largest city, is the capital of agriculturally rich Chiriqui Province. It is a commercial and industrial hub on the Inter-American Highway about 55 kilometers from the Costa Rican border. Just south of town is Enrique Malek Airport; jet fuel is trucked in from Pedregal, a minor port 5 kilometers farther south on an inlet of the Golfo de Chiriqui. Development of a hydroelectric complex, a sugar mill, an oil transshipment facility near Puerto Armuelles, and a transisthmus oil pipeline have brought money to the region and led to the economic expansion of David. Some of the big projects are now completed, however, and unemployment is becoming a problem. In the less prosperous eastern part of Chiriqui, the local Guaymi Indians have been progressively pushed off the better farmland into arid, eroded, and mountainous terrain. Chiriqui is noted for its fierce independence and its resentment of central government control; many attempted coups have begun here. []

El Porvenir -A10- (200), on an islet of the same name, serves as capital of the Comarca de San Blas, a semiautonomous region comprising most of the eastern part of Panama's Caribbean coast. The territory is sparsely inhabited, mainly by some 25,000 Cuna (also known as San Blas) Indians. A small airport at El Porvenir accommodates light planes. On the mainland nearby at Mandinga is another small airport, which was recently equipped with landing lights. []

[] The US defense attache reports that the latter airstrip is suspected of serving as a transshipment point for weapons bound for subversives in South and Central America. The Comarca de San Blas is notorious for its role in smuggling between Panama and Colombia; lack of firm government control and the independent attitude of the Indians makes San Blas ideal for illegal trade in drugs and other contraband. []

La Chorrera -C9- (42,000), Panama's fourth-largest city, stretches along the Inter-American Highway about 30 kilometers west of the Canal. It is the commercial and marketing center for a coffee-, grain-, and orange-growing region. Because of its proximity to Panama City and to the Canal, where many of its inhabitants are employed, La Chorrera has grown rapidly. []

La Palma -D12- (1,600) is the capital of sparsely populated, largely undeveloped Darien Province. It is situated near the broad mouth of the Rio Tuira, which flows into a small gulf opening to the Gulf of Panama. The town is linked to the Inter-American Highway at Yaviza by an unpaved road. An airfield southeast of town is used by light aircraft. La Palma is a departure point for travel to the interior of Darien. Marijuana from Colombia is smuggled into Darien on a small scale farther south, especially in and around the coastal village of Jaque. Elements of the National Guard based in La Palma are rotated for patrol duty along the border, []

Las Tablas -E8- (5,800) is the capital of Los Santos Province, a region of cattle ranches and small farms in the southeastern portion of the Peninsula de Azuero on the Pacific coast. Milk produced in Los Santos supplies processing centers in Cocle Province. Roads radiate in all directions from Las Tablas. A paved highway connects it with Chitre, and another goes to Puerto Mensabe, a minor port on the Gulf of Panama. Abundant quantities of red snapper, discovered off the coast in 1980, are being processed at Pedasi, about 40 kilometers southeast of Las Tablas. About 10 kilometers north of town is a small airstrip. []

Panama City -B9- (401,600), the nation's capital and most important city, serves as a focal point for international commerce and finance. Spain established the city as a base for exploration in the New World and as a collecting point for Europe-bound goods. It was founded on its present site in 1673 after buccaneer Henry Morgan sacked the old town, now known as Panama la Vieja, about 7 kilometers to the east. Most of the city is modern; the old quarter and Panama la Vieja are both being extensively restored. San Miguelito, a *distrito* adjacent to and north of the city has an additional 200,000 or more people. Industries in and around Panama City include food processing, steel rolling, and the manufacture of clothing, shoes, and furniture. []

Penonome -C7- (8,500), capital of largely rural Cocle Province, is a regional agricultural market on the Inter-American Highway. To the south is an intensively cultivated, irrigated, rice-producing area. Modern technology produces high yields, and most of the production goes to the large cities in the vicinity of the Canal. Penonome is the site of an ancient advanced Indian culture that archeologists theorize may have been destroyed by volcanic eruptions. []

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